

Stock Data

Share Price:	4.9p
Market Cap:	£1.9m
Shares in issue:	38.8m*
<i>*post Placing</i>	

Company Profile

Sector:	Mining
Ticker:	ERIS
Exchange:	AIM

Activities

Erris Resources plc ('Erris', 'ERIS', 'the Company') is a discovery-driven consulting and exploration company, supported by the Canadian mining major, Osisko Gold Royalties, which has a 15% interest in the Company. It has a portfolio of gold projects in Scotland, Sweden and Norway and zinc and base metals assets in Ireland, which it is looking to further prove up. Strategy is to create shareholder value through commercial discovery in proven mineral districts in favourable European jurisdictions.

Share price performance



Source: [LSE](#)

Past performance is not an indication of future performance.

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Erris Resources plc

Erris has today announced its successful raising of c.£330,000 (gross) through a placing of some 7.77m new ordinary shares at a price of 4.25p. This follows news last week of highly encouraging results for the Company's recently optioned and highly prospective Loch Tay project ('the Project') in Scotland. Under an agreement with [GreenOre Gold plc](#) ('GreenOre') signed in December 2019, Erris will now undertake exploration work that is expected to result in it assuming both Operatorship and an 80% working interest in the asset. Together with the €1.2m cash held by Erris at end-March 2020, this additional funding is expected to be sufficient to advance the Project to the point of defining drill targets with potential to host the 250k oz inferred gold resource targeted by the option. Significantly, this is similar in scale to the nearby [Cononish mine](#) which currently has a combined (Au & Ag) resource estimate of 246koz and grading at 11.7g/t Au-equivalent and had, prior to the COVID-19 forced mine closure, been expected to produce first gold this month. Although the Loch Tay project is still an early stage exploration play, initial sampling of float and subcrop has returned high grade gold that along with the outcropping mineralised veins at its Lead Trial prospect, together with the low production costs detailed within the bankable feasibility study commissioned for [Scotgold Resources'](#) neighbouring mine, suggests particularly attractive economics within a low-risk territory. Further updates as Erris advances toward initial drill testing are expected to build confidence further.

The Loch Tay option agreement gives Erris Resources exposure to new defined gold targets which have not previously been tested, yet have returned some exceptional gold grades from surface along with broad alteration and mineralised zones outlined during initial fieldwork. Further to this, site restrictions imposed by the Pandemic have also provided Erris' team with a timely opportunity to review all Project data, along with that of the Grampian Gold Belt that includes the nearby Cononish mine and the [Curraghinalt deposit](#) in Northern Ireland. This identified common characteristics in geochemistry, structure and mineralisation style that, supported by recent sampling results, leads it to believe that the prospects in the Loch Tay area have the potential to host significant gold mineralisation.

The option is for Erris to acquire 80% of the Loch Tay gold and associated base metals project located in the highly prospective Grampian Gold Belt. This zone already hosts some important gold deposits such as Curraghinalt (6.09 Moz at 13.6g/t Au), which was acquired by New York-based Orion Resource Partners in a C\$537m buy-out of TSX/AIM-listed Dalradian Resources in June 2018, and Cononish, which is only 40 kms away and is expected to pour its first gold shortly after restrictions imposed by the COVID-19 Pandemic are lifted. Significantly, necessary land access agreements have already been signed, which allows work to proceed on the priority targets with the aim of advancing exploration to drill target definition in 2020. The fact that the Duntanlich Barite Mine, 25km to the northeast, received planning approval in September 2016 suggests a local willingness permit new mine development. Importantly also, the Project's licences remain wholly outside the borders of any National Park or National Scenic Area.

Holding a cash position of c. €1.5m Erris is now adequately resourced to actively advance its Loch Tay Gold Project. With an aim of identifying drill targets as soon as Covid-19 restrictions are eased, TPI believes that it should be able to satisfy the inferred resource target specified by the option agreement within 12 to 18 months from now subject to continued success. Such an outcome would create significant value and open opportunity for Erris to either identify a JV/ industrial partner in order to de-risk the opportunity or alternatively, secure the funding necessary to forward the Project independently. The Company also retains a number of other exciting, early stage minerals opportunities, including highly prospective gold projects in Sweden and Norway, together with the Abbeytown Zn-Pb-Ag-Cu project and 18 contiguous base and precious metals prospecting licences in Ireland. Its Board, which maintains a disciplined approach to expenditure on its 100%-owned projects, continues to seek and evaluate new advanced exploration opportunities. Erris is backed by [Osisko Gold Royalties](#) (TSE:OR), a Canadian-quoted US\$1.6bn company, which now holds 15%. Erris's largest shareholder is David Hall (18%) who recently assumed the Company's CEO position.

Loch Tay Agreement with GreenOre Gold plc

Erris successfully completed its [acquisition of the Loch Tay gold project](#) ('the Project') on 15th January 2020, following completion of due diligence on the [option agreement signed with GreenOre Gold plc](#) (announced on 9 December 2019). The Project is located in Perthshire, Scotland. As such, Erris will now proceed with exploration work in order to secure an 80% working interest, which it will earn by defining a minimum inferred resource of 250k oz. of gold for the Project, to be verified by an Independent Competent Person, within four years.

Should either party dilute to less than 10% then that party shall forfeit all ownership and be entitled to a 2% Net Smelter Return Royalty ('NSR'). Erris has also secured an option to purchase 50% of the NSR for US\$1M.

Located on the Dalradian Sequence

Erris' Loch Tay project comprises an option agreement covering a region in the south west Grampians of Scotland. It includes some of the most prospective areas of a sequence bounded by the Great Glen Fault to the north and Highland Boundary Fault to the south -both crustal-scale structures. Within these there are highly folded and metamorphosed sedimentary and volcanic rocks of late Precambrian to Early Cambrian age, which extends into regions that were contiguous at the time of its formation. This includes the western extension to the eastern seaboard of Canada and the Appalachian belt in the US, and the eastern extension into Norway and Sweden. The British Geological Survey has identified the Dalradian sequence as highly prospective for both significant gold and base metal deposits. On a more local scale, it extends to the south west from Scotland into Northern Ireland where it hosts other gold resources at Cavanacaw (c. 0.8Moz of gold) and Curraghinalt (6.09M oz of gold).

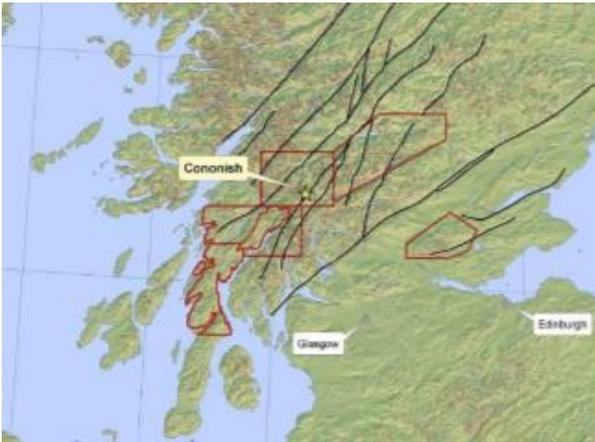
Loch Tay Project Location



Source: Erris Resources

The Cononish Gold Project – A Neighbouring Mine and Ideal Scottish Development Model

Scotgold Resources plc (AIM:SGZ, 'Scotgold') is the owner and operator of the Cononish Gold Project, a high-grade, high return, low cost mine located some 43km from the Loch Tay Project in the Highlands of West Scotland, just inside the north-western boundaries of the Loch Lomond and Trossachs National Park. It has declared a combined resource of 266koz grading 13.4g/t Au, including total reserves of 198koz grading 11.1g/t Au.

The Cononish Gold Project – BFS Overview		
	Production Statistics	
	Total Mine Production	175,762 oz Au 672,697 oz Ag
	Life of Mine (LOM)	9 years
	Ore Processing Rate	72,000 tonnes per annum
	Average Head Grade	11.7 g/t Au equivalent
	Metallurgical Recovery	93% Au - 90% Ag
	Average Annual Metal Period	23,491oz Au equivalent
	Peak Period	28,334oz Au equivalent
<small>oz = ounces, Au=Gold, Ag= Silver oz Au Equivalent = oz Au + oz Ag*12.8/920</small>		

Source: Scotgold

Having completed a bankable feasibility study ('BFS') in January 2015, followed by a bulk processing trial ('BPT') in February 2016 and formal receipt of planning permission of a Decision Notice for the commencement of commercial extraction in October 2018, the Cononish Gold Project had been scheduled to commence production in May 2020. Having evaluated the project economics using a £1,200/oz gold price and based on £398/oz average operating cost plus £146/oz average capital cost, the BFS estimated the mine's total production cost of £544/oz. Based on this, current gold prices and US\$/GBP exchanges rates, the Cononish Gold Project is set to become a highly profitable venture. Scotgold management have gone on to note that further exploration around the prospect also indicated potential for extension to its planned 9-year Life of Mine and that its Grampian Project showed potential for new future Scottish mines.

Excessively wet weather in the opening months of 2020, together with the subsequent close mine closure due to COVID-19, have deferred the start of first gold production. Realistically, however, and subject to government guidance, it might be expected re-commence during 2H 2020 and, meanwhile, the higher spot gold prices achieved over the past couple of months appear to have improved the overall project economics.

The Loch Tay Project

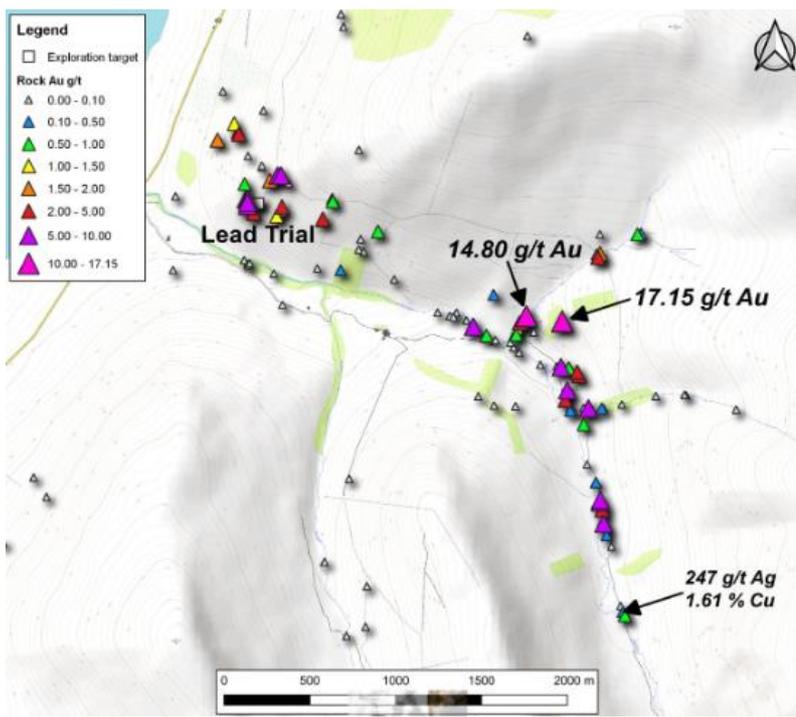
Loch Tay is a highly prospective gold project in central Scotland. It lies outside any National Park or National Scenic Area. Its 237 sq. km. licence area is adjacent to a regional scale fault – the Loch Tay Fault in the Grampian gold belt. Its project area has a significant number of historic workings for silver, copper and lead, along with alluvial gold in the region and licence area. High-grade outcropping gold mineralization and new high-grade float cluster have been identified 43 km east. from the new Cononish gold mine. Erris Resources plans to actively advance the project in H2 2020 with the aim of identifying drill targets as soon as Covid-19 restrictions have been eased.

Initial Sampling

Initial sampling by GreenOre and Erris has identified two targets: 1) Lead Trial- Dunan Area (previously known as 'Ardtalnaig'), which contains mineralised outcrops and float occurrences, and 2) Glen Almond Area, located 6.6km south of Ardtalnaig and consists of mineralised veins in outcrops.

On 28th April 2020, Erris received results for a batch of 121 rock samples including three certified reference material samples collected in February and early March on its Loch Tay Project. Prospecting and mapping which was underway has ceased temporarily in line with recent restrictions introduced by the UK government in order to combat the outbreak of Covid-19. Out of a total of 118 samples collected, 30 had greater than 0.1g/t Au, 13 had greater than 1g/t Au and 9 samples had between 5g/t Au and a maximum of 17.15g/t Au, the Project's highest-grade result to date. The majority were float or boulder samples with 19 taken from outcrop or subcrop including the highest-grade sample which is thought to be subcrop.

Lead Trial - Dunan Valley



High-grade quartz sample from probable subcrop that had 17.8g/t Au



Target is high-grade gold in veins or stockworks which might be exploited from underground mining and with minimal surface footprint similar to the mine at Cononish – 43km to the East

Source: Erris Resources

Lead Trial – Dunan Area: Has been significantly expanded to the east, where a cluster of mineralised boulders has been identified between 1.4km and 3km southeast of the historic workings at Lead Trial. The total mineralised footprint of the prospect has been increased to 3.2km in a northwest-southeast trend along the lower slopes and floor of the glen. Initial sampling prior to the winter identified mineralised float in the southeast area with four samples returning between 1.64g/t Au and 4.67g/t Au. More recent results reported on 28th April 2020, indicated all of the nine samples that returned >5g/t Au were taken in the new eastern area along with 10 other samples with between 0.1g/t Au and 5g/t Au. The two highest grade samples with 17.15g/t Au and 14.8g/t Au were taken 210m apart on the lower slopes of the hill and they are considered proximal to a bedrock source. The sample with 14.8g/t Au is from a cobble of milky white and saccharoidal quartz with minor barite, galena and sphalerite collected in a burn. In addition to high-grade gold, the sample also returned 1.16% Pb, 1.35% Zn, and 10.35g/t Ag.

The highest-grade sample with 17.15g/t Au was from chips across a 1m wide vuggy quartz vein hosted in a 1.5m x 1.2m partially buried boulder or possible sub-crop of mica schist. The sample also returned 12.15g/t Ag, 0.98% Pb and 0.97% Zn. The size of this boulder along with the clustering of high-grade float suggests that there is a very local bedrock source for this gold mineralisation. The south-eastern limit of the mineralised boulder train has distinct geochemistry with two samples returning low-grade copper (0.15% and 0.21%) and a third sample yielding high-grade copper, lead and silver with 1.61% Cu, 12.7% Pb and 247g/t Ag. This high-grade sample was a brecciated quartz cobble measuring 10cm x 15cm. Further work is required to expand the boulder train and determine the source of this mineralisation.

Lead Trial - Almond Area: A total of 31 samples were taken along a burn and a vehicle track 2 to 4km south from this Lead Trial. No gold mineralisation was identified although two small float samples taken 1km apart yielded distinct Ag-Bi-Pb-Te mineralisation. One small float sample of milky white quartz float with visible galena returned 112g/t Ag, 222ppm Bi, 0.66% Pb and 6.45ppm Te. The other sample from a breccia with quartz fragments in mica schist returned 72.7g/t Ag, 212ppm Bi, 0.6% Pb and 2.61ppm Te. The source of this float is unknown, but it could be the [Corrie Buidhe silver mine](#) located approximately 2km to the southwest; limited samples from Corrie Buidhe have the same distinctive high Ag-Bi-Pb-Te signature. Further work is thus warranted in the upper reaches of this glen which was above the snow line when the work was carried out.

Other Targets: Include Invergeldie, where 4 out of 7 samples collected in 2019 contained low-grade gold and a fifth sample returned 8.86g/t Au with associated high tellurium. Other bedrock gold sources and targets within the licence area known from historic work and BGS stream sediment survey data. Further work is aimed at upgrading targets for future drilling

Regional Geology: While fieldwork is not permitted under the current restrictions as a result of the COVID-19 pandemic, Erris has taken the opportunity to further review historic reports, papers and data relating to the Loch Tay Project and regional geology. Lineament analysis was carried out using free satellite imagery to identify potential structures relating to mineralisation and this has identified several features of interest that require ground truthing.

A review of BGS stream sediment data indicates a potential new target area in the south of the licence area where strong multi-element anomalies exist. The anomaly consists of high Ag-As-Ba-Bi-Pb-Zn and weak Mo which makes it a priority area for prospecting since these are elements that have been recognised at Lead Trial. This area has not yet been traversed by the Company's geologists. A review of the litho-geochemistry for all 331 rock samples collected to date on the Project has also been carried out. This work has allowed the Company to identify new areas that require more detailed prospecting, such as at Invergeldie in the south of the licence.

Where sufficient rock sample data exists at Lead Trial, a zoned mineralisation system is becoming apparent with the data suggesting that there is a possible outer barite zone to the northwest, a middle zone with variable Pb-Zn-Au-Hg-Mo and limited data for a zone with Cu-Bi-Te and higher-grade silver at the southeast end of the prospect. Gold mineralisation appears to increase towards the southeast where the new samples reported here were found, however it should be noted that outcrop is sparse in many areas and determining zonation from float samples is difficult.

The geochemical signatures indicating the presence of multiple auriferous polymetallic veins in the Project area is very encouraging as this is a characteristic feature of the known gold deposits in the Grampian Gold Belt, such as the 6.09M Oz Curraghinalt gold deposit in Northern Ireland. The high-tellurium response from many samples on the Loch Tay Project is also a feature in common with the Cononish gold deposit. The Company will continue to review the geochemistry for the multiple gold prospects across the 237 sq.km licence area to vector towards prospective drill targets. Following further prospecting, the Company anticipates that soil geochemical grids will allow it to better develop these new high-grade gold targets for drilling.

Glossary of Mining Terms Utilised in this Report

Base Metal: a general term applied to relatively inexpensive metals, such as copper, zinc, lead

Boulder: a large stone, especially one worn smooth by erosion

Geological Survey: either 1. a detailed investigation of the geological features and resources of a region or; 2. an official body responsible for such surveys

Grab Sampling: a collection of specimens of ore taken more or less at random to examine the mineral quality but not the monetary value of the ore

Life of Mine: the length of time a mine is or could be in production

Mineralization: process by which a mineral is introduced into a rock, resulting in a valuable/potentially valuable deposit

Outcrop: an exposure of rock or mineral deposit that can be seen on surface, that is, not covered by soil or water

Precious Metal: any of several relatively scarce and valuable metals, such as gold, silver, platinum and palladium

Reserves: an estimate within specified accuracy limits of the valuable metal or mineral content of known deposits that may be produced under current economic conditions and with present technology; that part of the reserve base that could be economically extracted or produced at the time of determination

Resource: a concentration of naturally occurring solid, liquid, or gaseous material in or on the Earth's crust in such form and amount that economic extraction of a commodity from the concentration is currently or potentially feasible

Summary of Erris Resources other Mineral Assets

Below is an elementary description of Erris' other mineral assets/projects which are not presently under active development.

With a focus on cost efficiency, Erris' Board seeks to develop its portfolio organically and through acquisition in order to increase shareholder value, while seeking opportunities to de-risk projects through JVs & industry partnerships.

SWEDEN: Brännberg Project

Located in the heart of the Skellefte Mining District 10.8km from active Maurliden mine and in the same district as the +2M Oz Björkdal gold deposit.

- Gold in sheeted quartz-arsenopyrite veinlets and stockworks within competent volcanoclastics
- Investment by Centerra of \$670k in drilling and geophysics – all focused on one area
- Hole BB004 - 17.2m @ 1.93g/t Au and 0.26% Cu from 160.90m-178.10m
- Mineralization open at depth, potential for a large gold system with other untested target areas

NORWAY: Gautelis Project

Three styles of mineralization including reported Carlin style gold mineralization in carbonates. 1,500m of drilling completed 1984-1985: disseminated 6-7 g/t Au in 3 m sections, & semi massive sulphides up to 329.66 g/t Au, 0.52% Cu, 2.4% Pb, 0.69% Zn, 0.08% As, 61 g/t Ag.

- Historic drilling on the Gautelis permit intersected: 3.0m @ 6.6 g/t Au & 26m @ 0.58g/t Au
- Close to Swedish border but has road access, 2 x 10 sq.km permits 100%-owned by Erris Resources
- Similar characteristics to Carlin-type deposits; the project warrants further exploration as historic drilling was shallow and sections indicate mineralization is open at depth

IRELAND: Abbeystown ZN-PB-AG-CU Project

Five licenses covering 136km² in County Sligo, renewed for 6 years in Q3 2019.

- Proven mineral district centred on the old lead/zinc-silver mine of Abbeystown (1951-1961)
- A Carbonate Replacement Deposit with structurally controlled high-grade mineralization and adjacent stratiform replacement mineralization
- Targeting shallow and high-grade zinc-lead-silver mineralization in the mine area – successful drilling in 2018
- Good industrial infrastructure: road, power, rail and port are all available nearby
- Aim to identify economic resources that will support a commercial operation either by itself or with a partner

Results included several high-grade drill intersections:

1. 10.85% Zn+Pb combined and 31.1 g/t Ag over 4.0m in ERAB001
2. 15.63% Zn+Pb combined and 90.68 g/t Ag over 4.1m in ERAB005
3. 9.14% Zn+Pb combined with 92.89 g/t Ag over 4.5m in ERAB007
4. 14.37% Zn+Pb combined and 67.25g/t Ag over 2.0m in ABUG009 (underground)

IRELAND: Galway Project

18 contiguous prospecting licences covering 673km² east of Galway City, County Galway.

- Area prospective for base metals associated with major extensional structures
- Adjacent ground to the north held by Boliden, they recently completed a seismic survey
- Licences located 15-40km northwest of the Tynagh Mine, which hosted ~9.4Mt at 5.0% Zn, 6.0% Pb, 0.5% Cu & 1 oz/ton Ag
- Similar geology to Tynagh mine area with outcropping historic workings within the licence area at Rinnmore
- New high-quality Tellus Airborne Magnetic and EM data covering the region allowing new interpretation
- New data was not available to previous explorers + new GSI drill core with copper mineralization in the priority target area
- Erris has generated ranked targets based on data compilation with preliminary prospecting, soil sampling and ground truthing carried out
- Early stage project but with >10-100Mt deposit potential

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